



# CPEC

# California Postsecondary Education Commission

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## Proposed Revisions to the Commission's Guidelines for Approval of Community College Centers

### Background

Legislation passed in 2006 established a new system for allocating state revenues to community college districts. The legislation required the California Community Colleges Board of Governors to develop criteria and standards in accordance with Title 5 State regulations. The standards pertain to instruction, teaching, student support services, and physical capacity. In May 2008, the Board of Governors adopted regulations to implement the new funding system. One provision calls for districts to receive General Fund apportionments based in part on the number of its state-approved educational centers.

At the Commission's December 2008 meeting, staff presented recommendations for modifying criteria for approval of educational centers to be consistent with the Board of Governors' revised Title 5 regulations. The recommendations pertain to the minimum enrollment threshold, provisional approval, conversion of a grandfathered center to a state-approved center for apportionment funding purposes, and exceptions to the guidelines.

### Purpose of Educational Centers

Previous Commission reports highlighted the value and importance of educational centers. Foremost, they are a cost-effective way to meet increased student demand, as opposed to investing scarce capital dollars to build costly comprehensive public colleges and universities. Cost effectiveness can be accomplished by placing educational centers strategically in high population growth areas where the host district is at or near capacity and student demand is expected to increase substantially.

Educational centers also promote shared facility use and intersegmental collaboration. This enables the state and the public higher education systems to realize and sustain greater resource efficiencies. Educational centers have the potential to increase learning productivity because students can spend more time engaged in learning and less time traveling to and from a main campus. Public colleges and universities can also use educational centers to expand access in rural and remote areas. Rural centers are especially beneficial when community college districts are expected to serve a mix of rural, urban, and suburban populations in areas spanning numerous counties.

## PROPOSED MODIFICATIONS TO GUIDELINES

### Recommendation Regarding FTES Threshold for Community College Educational Centers

Effective April 1, 2009, a community college off-campus operation that seeks conversion to a state-approved educational center must enroll a minimum of 500 annual full-time equivalent students (FTES) during the year immediately preceding the district's proposal submission.

#### *Discussion*

Current Commission guidelines require an off-campus operation to serve a minimum of 500 fall-term FTES before it can be recognized as a state-approved center and eligible to compete for state capital outlay funding. The Board of Governors threshold is nearly identical, except it requires at least 500 FTES annually.

The Commission's current threshold is based on fall-term FTES, with the expectation that a center serve 500 FTES annually. Staff recommends updating the enrollment requirement to reflect annual FTES enrollment, consistent with current Title 5 Regulations. FTES will continue to be calculated as the number of weekly student contact hours generated by a center during an academic year divided by 525 hours. An equivalent way of calculating FTES is by adding the credit and non-credit instructional units generated during the academic year divided by 30 (two semesters at 15 units per semester).

### Recommendation Regarding Provisional Approval of Educational Centers

Provisional approval does not involve state capital outlay funds. Staff recommends that provisional approval remain solely at the discretion of the Board of Governors. The Commission requests the Chancellor's Office to forward provisional proposals and accompanying documents for information purposes, discussion, and comment.

#### *Discussion*

The 2008 Title 5 regulations authorize the Board of Governors to grant provisional approval to a center if it is to be located in a high population growth area and if an enrollment analysis clearly shows that it would serve 500 FTES annually by the third year of operation. Current Commission guidelines do not contain criteria governing provisional approval.

The Commission received confirmation from the Chancellor's Office that a provisionally approved educational center is not eligible to compete for state capital outlay funds until it generates 500 FTES annually and until the host district submits a final proposal and needs study that meets all the Commission's review guidelines. The Commission believes that the state's interest in the efficient and orderly use of scarce capital outlay funding is not compromised by the provisional approval review process. Therefore, staff should not expend limited resources to conduct formal reviews of provisional proposals. The Chancellor's Office is requested to forward those proposals and accompanying documents to the Commission for information purposes and general comments.

## Recommendation Regarding Converting a Grandfathered Center to a State-Approved Educational Center

Converting a grandfathered center as defined below to a state-approved educational center involves base apportionment funding rather than capital outlay funding. Staff recommend that approval should remain solely under the purview of the Board of Governors. The Chancellor's Office is requested to forward conversion proposals and accompanying documents to the Commission for information purposes, discussion, and comment.

### *Discussion*

The Commission defines a grandfathered center as a community college off-campus operation that:

- Is governed by a community college district
- Existed before the California Postsecondary Education Commission was created in 1974
- Was recognized as an approved grandfathered center by the Commission in its December 10, 1984, report to the State Legislature
- Has continuously enrolled students since the Commission's approval
- Served at least 100 FTES during 2005–06, or an average of at least 100 FTES for the three-year period from 2003–04 to 2006–07.

Locations approved by the Commission before April 2002 continue to be eligible for state capital outlay funding, as outlined in the 2002 report, *Review of Proposed University Campuses, Community Colleges, and Educational and Joint-Use Centers*. ([www.cpec.ca.gov/completereports/2002reports/02-06.pdf](http://www.cpec.ca.gov/completereports/2002reports/02-06.pdf)). State regulations establish revised conditions for increasing base funding for grandfathered centers. Title 5 §58771 states: “a grandfathered center’s base funding entitlement shall not be increased until the center is approved as an educational center in accordance with Section 55180.”

## Recommendation Regarding Exceptions to the Commission’s FTES Threshold for Educational Centers

The Commission will continue to consider exceptions if the proposal is endorsed by the Board of Governors and if the host district is able and willing to make a substantial capital outlay investment from local bond funds. Also, a district’s needs study must provide a compelling case demonstrating that the level of FTES will be sufficient to make it a viable operation, worthy of state capital outlay funds.

### *Discussion*

The Commission and the Board of Governors have exercised judgment and a limited degree of flexibility in determining exceptions to the FTES threshold although not explicitly required by Title 5 regulations. Some centers serving fewer than 500 FTES have been allowed to compete for state capital outlay funding. In such cases, community or regional educational, economic and labor market needs were carefully considered.